

NEBRASKA SUPREME COURT

MICHAEL G. HEAVICAN
CHIEF JUSTICE



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MEMORANDUM

TO: All Judicial Officers and all Employees of the Supreme Court

FROM: Chief Justice Heavican

DATE: April 19, 2010

RE: Budget Concerns

Now that the Legislature has adjourned, we can speak with some greater certainty about the Court's budget for the remainder of this fiscal year and for fiscal year 2010-2011. During this past legislative session the Legislature cut the Court's budget an additional 2% for the fiscal year beginning July 1, 2010, on top of the 3% which was cut from the Court's budget during the Special Session held last December. That means we will be short approximately \$2.5 million for the next fiscal year: \$1.5 million in the Court's budget and \$1 million in Probation's budget.

In many states around the country, including some of our immediate neighbors, courts have had to furlough or lay off employees and/or close courts because of budget shortfalls. We have worked hard to avoid such measures and we do not anticipate having to furlough or lay off employees for the remainder of this fiscal year. That is because the Supreme Court began a program last fall of aggressively cutting expenditures. We have cut travel expenses and canceled optional purchases. Most importantly, we have not filled, or have deferred filling, judicial and employee vacancies.

Next year, however, presents a bigger problem. Two factors will largely determine whether we will be able to stay within our budget in fiscal year 2010-2011 without laying off or furloughing employees or closing courts.

The first factor is entirely beyond our control. If revenue receipts fail to meet the State's current projections, the Legislature may need to meet in Special Session to make further budget cuts.

The second factor, however, is almost totally under our control. That factor, of course, is our ability to continue to control expenditures. Our budget is over 95% employee salaries. We are hopeful we can stay within our budget for the next fiscal year and still give some salary increases to most of our employees. The only way to do that, however, without furloughing or laying off court and probation employees and/or closing courts is to continue a policy of aggressively deferring or not filling employee vacancies. At differing times and in differing ways during the next year that necessarily means that all of us will be called upon to make sacrifices in order to cover for those unfilled vacancies.

The citizens of the State of Nebraska have a great deal of respect for their courts and for the entire court family. Many of those citizens are now hurting because of the economic downturn. They have lost jobs or have seen their income diminished. This is a time for all members of the court family to be grateful for our jobs and to return the respect that our fellow citizens have for us by continuing our good service even though we have fewer resources available to do so.

I thank you, and the entire Court thanks you, for your service and your sacrifice.